



Department of Energy
Bonneville Power Administration
P.O. Box 491
Vancouver, Washington 98666-0491

TRANSMISSION BUSINESS LINE

September 10, 2004

In reply refer to: TF/DOB-1

Ms. Nancy Baker
Public Power Council
1500 NE Irving, Suite 200
Portland, OR 97232

Dear Ms. Baker:

Thank you for your requests for more detailed information on BPA's sub-115 kV transmission facilities. We initially attempted to respond to your request through the notes from the Portland PIR meeting; however, we now realize that some additional clarification is necessary. To ensure that your questions are responded to clearly, I will list each question followed by its response.

1. How much money will TBL spend on sub-115 kV facilities in Fiscal Year (FY) 2006-07?

The capital budget in FY 2006 and FY 2007 for facilities at the 115 kV level and below may be broken down as follows:

- FY 2006: \$29 million = approximately 11% of total forecasted capital budget
- FY 2007: \$35 million = approximately 12% of total forecasted capital budget

Using FY 2003 as an example, \$19.4 million of the \$70 million maintenance program is budgeted to direct maintenance of all facilities on the system. Of this \$19.4 million, \$3.2 million was spent on facilities (lines and substations) of 115 kV and below. In addition, TBL breaks down the \$19 million for direct maintenance costs as follows:

- System work: \$3.3 million
- DC maintenance: \$0.1 million
- 500 kV: \$8.2 million (\$6.8/\$1.4 - substations/lines)
- 230 kV: \$4.6 million (\$3.2/\$1.4 - substations/lines)
- 115 kV: \$3.2 million (\$1.6/\$1.6 - substations/lines)

2. What local area reinforcement and load service projects for this period involve improvements to sub-115 kV grid?

On page 10 of the materials provided at the August 25th PIR technical workshop on capital there is a section entitled Area & Customer Service Projects. These projects are for 115 kV and sub-115 kV unless the project is explicitly labeled 230 kV.

3. Are the \$29 and \$35 million figures for FY 2006 and FY 2007, respectively, just for capital replacements on the sub-115 kV system?

No. These dollar figures represent the loaded capital budget amounts in FY 2006 and FY 2007 for replacements both on 115 kV facilities and sub-115 kV facilities.

4. If they include other line items, can we get that broken out by line item?

The figures above are just for replacements.

5. What are the forecasted maintenance expenditures for FY 2006 and FY 2007 on the sub-115 kV system?

We expect maintenance costs to remain the same as FY 2003; actuals plus 2.5% inflation.

6. Can we get FY 2003 and FY 2004 actuals (to the extent known) for replacements and maintenance on the sub-115 kV system?

We define sub-115 kV costs as all costs of facilities with a maximum voltage less than 115 kV. The sub-115kV actuals for FY 2003 for lines is \$80,809 and for substations is \$75,890. In FY 2004 (actuals through August), the amount for lines is \$38,763 and for substations is \$56,153.

7. What percentage of circuit miles of the BPA system owned and maintained by BPA are sub-115 kV?

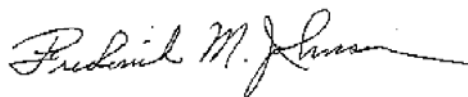
Approximately 1.6% of the circuit miles BPA owns and maintains are sub-115 kV.

8. What percentage of transformers on the BPA system owned and maintained by BPA are sub-115 kV?

Approximately 2.6% of the transformers are in facilities with a maximum voltage less than 115 kV.

Thank you again for your requests for additional information. I hope the information in this letter provides you with a sufficient response for you to develop your comments in the PIR process.

Sincerely,



Frederick M. Johnson
Vice President, Transmission Field Services